

By: Turner

H.B. No. 540

A BILL TO BE ENTITLED

AN ACT

relating to the allocation of the value of certain federal allowances for carbon dioxide emissions granted to certain electric or gas utilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 36, Utilities Code, is amended by adding Section 36.066 to read as follows:

Sec. 36.066. TREATMENT OF VALUE OF CERTAIN FEDERAL ALLOWANCES FOR CARBON DIOXIDE EMISSIONS. To the extent federal law provides an electric utility with free or subsidized-cost carbon dioxide emissions allowances, the regulatory authority by rule or by ordinance shall ensure that the economic value of the allowances is passed on to the end user of the utility's electric service and is reflected on that user's bill.

SECTION 2. Subchapter E, Chapter 39, Utilities Code, is amended by adding Section 39.207 to read as follows:

Sec. 39.207. TREATMENT OF VALUE OF CERTAIN FEDERAL ALLOWANCES FOR CARBON DIOXIDE EMISSIONS. To the extent federal law provides an electric utility with free or subsidized-cost carbon dioxide emissions allowances, the commission by rule shall ensure that the economic value of the allowances is passed on to and is reflected on the bill of the end user of the utility's electric service through the transmission and distribution utility's charges appearing on that user's bill from the retail electric

1 provider.

2 SECTION 3. Subchapter B, Chapter 104, Utilities Code, is
3 amended by adding Section 104.059 to read as follows:

4 Sec. 104.059. TREATMENT OF VALUE OF CERTAIN FEDERAL
5 ALLOWANCES FOR CARBON DIOXIDE EMISSIONS. To the extent federal law
6 provides a gas utility with free or subsidized-cost carbon dioxide
7 emissions allowances, the regulatory authority by rule or by
8 ordinance shall ensure that the economic value of the allowances is
9 passed on to the end user of the gas utility's gas service and is
10 reflected on that user's bill.

11 SECTION 4. This Act takes effect September 1, 2011.